

Abstract: A method and system for design and development of financial instruments which enables businesses to benefit from the economic value of risk management. First the system develops a methodology, for specific sector, to extract root products. A database is designed to continually update the technical specifications of root products to ensure the uniformity of defined generic specification. Next the system database continually monitors, stores and analyzes the market intelligence required for determining the products relative market strength. Finally, a flexible contract product is designed transforming these products to financial instruments. Such financial instruments are continuously updated, added and deleted as the technical and market conditions change